

T H E WILLIAMSON ACT



1991-93 STATUS REPORT

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CHANGES SINCE THE 1990-91 STATUS REPORT

STATEWIDE CHANGES

Net Changes

Land protected by Williamson Act contracts increased by 8,725 acres statewide since 1990-91 (Table 4). In 1991-92 Williamson Act acreage declined by 4,690 acres. In 1992-93, this loss was reversed by a net increase (acreage added to, minus acreage removed from, Williamson Act contracts) of 12,633 acres. Statistically, this net increase in acreage is an insignificant change in lands protected by the Act.

Acreage Entering the Program

A total of 130,063 acres were brought into the Program under new contracts since 1990-91 (69,870 acres in 1991-92, and 60,193 acres in 1992-93) (Table 4). The average for the two years represents a 35% decline in acres that were added to the Program in 1990-91.

Acreage Removed

On the minus side of the equation, 122,120 acres were removed from the protection of the

Williamson Act over the past two years, either by nonrenewals, cancellations, annexations or eminent domain (Table 4). In 1991-92, 73,560 acres were removed and in 1992-93, 47,560 acres were terminated from the Program. The rate of termination of Williamson Act contracts during the past two years was about half of that of the 1990-91 reporting year, which was 123,062 acres.

Most of the terminations during the past two years were through the contract nonrenewal process. Termination by public exercise of eminent domain follows contract nonrenewal in terms of the number of acres removed (Table 4). Contract cancellation and termination by city annexation accounted for only a small amount of total contract terminations.

Prime Versus Non Prime Enrollment

In 1992-93 new lands added to the Program were predominantly non-prime lands (Table 5). Over 45,000 acres of non-prime land were added compared to 15,000 acres of prime. Acreage removed from the Williamson Act was also mostly non-prime land. The proportion of prime land removed, however, was much higher than that added (30,215 acres non prime to 17,345 acres prime). Consequently, there was a net

**Table 4. Statewide Summary - Contract Acreage Terminations and Additions
1991-92 & 1992-93 (Counties Only)**

Termination Type	1991-92	% of Total	1992-93	% of Total	2 year
Cancellation	1,794	2.4%	491	1.0%	2,285
Eminent Domain	24,345	34.0%	27,246	57.3%	52,591
Annexation	863	1.2%	2,310	4.9%	3,173
Expired Nonrenewal	<u>46,558</u>	62.4%	<u>17,513</u>	36.8%	<u>64,071</u>
Total Terminations	73,560		47,560		122,120
Additions	<u>69,870</u>		<u>60,193</u>		<u>130,063</u>
Net Gain or Loss	(3,690)		12,633		7,943

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Table 5. Additions and Terminations By Land Category
Acres (% of Total), 1992

Agricultural Land Category	Nonrenewals Initiated	(%)	Terminations Total	(%)	Additions Total	(%)	Gains/ Losses
Urban Prime	5,940	19	4,952	10	3,453	6	-1,499
Prime	7,365	25	12,393	26	11,305	19	-1,088
Non Prime	<u>17,235</u>	<u>56</u>	<u>30,215</u>	<u>64</u>	<u>45,435</u>	<u>75</u>	<u>15,220</u>
Total	30,540	100	47,560	100	60,193	100	12,633

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2,587-acre decrease in 1992-93 of prime agricultural land and a net increase of 15,220 acres of non-prime land.

Central Coast and Mountain/North Coast regions gained 9,000 and 6,000 new contract acreage, respectively. These were insignificant changes amounting to less than 1%.

COUNTY CHANGES

Net Changes

During 1992-93 21 counties had net losses in acreage under contract and 18 counties experienced net increases in acreage. Only 12 counties showed net changes greater than 1%.

Table 6 shows the ten counties with the largest net increases and decreases. The counties with the largest 1992-93 increases were Monterey, Fresno, Mariposa, Shasta and Sonoma. Non-prime agricultural land added to the Williamson Act in these five counties exceeded the addition of prime agricultural land by seven to one.

Sacramento, Kern, Alameda, Tehama and Contra Costa Counties had the largest net acreage losses in 1992-93. Most of the land removed from contract in these counties was prime agricultural land.

Regional Changes

All regions with the exception of the Sacramento Valley Region had net increases in land under contract during 1992-93. The Sacramento Valley Region declined in Williamson Act acreage by 7,000 acres, a 0.3% loss. The

Los Angeles County

The preceding discussion of Williamson Act acreage changes did not include the removal of Los Angeles County's reported acreage from the list of participating Williamson Act counties. In 1993 the Department found that Los Angeles County never participated in the Program. The 40,052 acres of reported non-prime land on Santa Catalina Island is restricted by an Open Space Easement pursuant to the Open Space Easement Act of 1969. Los Angeles County will no longer be part of the statistical analysis of the Program's status.

Table 6. Top Ten Williamson Act Acreage Gainers and Losers, 1992

Gainers	Acres	Losers	Acres
Monterey	5,651	Sacramento	2,831
Fresno	4,885	Kern	2,580
Mariposa	4,037	Alameda	2,523
Shasta	3,686	Tehama	2,302
Sonoma	3,414	Contra Costa	1,794
Ventura	2,443	Stanislaus	1,692
San Benito	1,981	Solano	1,527
San Luis Obispo	1,908	Placer	1,361
San Joaquin	1,111	Orange	1,060
Sierra	1,100	Santa Clara	394

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WILLIAMSON ACT CONTRACT NONRENEWAL

Background

Filing an application of contract nonrenewal by a landowner or local government ends the automatic annual extension of Williamson Act contracts and starts a nine-year contract phase-out. During the phase-out period the land remains restricted to agricultural and open space uses but property taxes gradually return to those assessed under Proposition 13. At the end of the nine-year nonrenewal process the contract expires. The land is then assessed at its factored base-year value and its use is restricted only by applicable local zoning. In this report initiation of contract nonrenewal and completion of contract nonrenewal are both analyzed. The former is referred to as "nonrenewal initiated", and the latter as "nonrenewal expiration."

Expiration of Contract Nonrenewal

In 1991-92, 46,558 acres were removed from contract as contracts expired via nonrenewal. This number decreased to 17,513 acres in 1992-93. These levels of nonrenewal expiration are much less than in 1990-91 when 90,261 acres left the Williamson Act as contract terms expired. In 1990-91, 75% of all land removed from contract

was by contract expiration through the nonrenewal process. In 1991-92 nonrenewal expiration amounted to 62% of all contract terminations. In 1992-93 this dropped to 36%.

In 1990-91 nine counties exceeded 2,000 acres in land leaving contract by nonrenewal, led by Kern County with 42,603 acres. In 1991-92 five counties exceeded 2,000 acres as contracts expired by nonrenewal, again led by Kern County with 12,016 acres. In 1992-93 no counties exceeded 2,000 acres leaving by nonrenewal; Alameda County had the largest number of contract expirations at 1,093 acres (Table 7).

The South Coast/Desert Region led other regions in nonrenewal terminations in 1990-91. Five of the seven counties in the region were among the top counties in terms of acreage leaving the Program through contract nonrenewal. However, in both 1991-92 and 1992-93 nonrenewals were evenly distributed among all regions, with no single region dominating total acres nonrenewed.

Initiation of Contract Nonrenewal

In 1992-93, 30,540 acres began the nine-year process of contract nonrenewal. This was almost twice the amount of land leaving the Program by nonrenewal expiration in that year but it was less than half of the 78,465 acres to begin nonrenewal in 1991-92. Further, nonrenewals in 1991-92

Table 7. Top 5 Counties - Contract Nonrenewals Expired 1990-1993 (Acres)

County	1990-91 Nonrenewals Expired	County	1991-92 Nonrenewals Expired	County	1992-93 Nonrenewals Expired
Kern	42,603	Kern	12,016	Alameda	1,867
Ventura	7,826	Contra Costa	6,575	Sonoma	1,722
Santa Barbara	6,080	Solano	5,413	Placer	1,361
Contra Costa	3,764	Ventura	3,883	Humboldt	1,288
Riverside	3,436	Riverside	3,482	Madera	1,180
Total	63,709	-	31,369	-	7,418
% of Statewide	71	-	67	-	44

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Table 8. Top 5 Counties - Contract Nonrenewals Initiated 1990-1993 (Acres)

County	1990-91 Nonrenewals Initiated	County	1991-92 Nonrenewals Initiated	County	1992-93 Nonrenewals Initiated
Stanislaus	34,702	Kern	10,832	Yolo	4,903
Yolo	16,920	Mendocino	9,381	Kern	3,560
Sacramento	14,034	Madera	9,367	Solano	3,204
Santa Clara	11,049	Yolo	8,442	San Joaquin	2,661
Madera	<u>10,272</u>	Tehama	<u>7,183</u>	Calaveras	<u>2,045</u>
Total	86,977	-	45,205	-	16,373
% of Statewide	60	-	58	-	54

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were 54% of the 144,995 acres that began nonrenewal in 1990-91. Thus, like expiration of nonrenewals, nonrenewals initiated have dropped significantly since the last reporting period.

The statewide decline in contract nonrenewals initiated was reflected by a similar decline of nonrenewal activity in almost every county in 1992-93. In 1990-91 fifteen counties initiated nonrenewals on more than 2,000 acres. Stanislaus County led all counties with 34,702 acres entering nonrenewal, followed by Yolo County with 16,920 acres. In 1991-92, nine counties had more than 2,000 acres beginning nonrenewal. In 1992-93 only six counties received nonrenewal applications affecting more than 2,000 acres. Yolo County was highest with only 4,903 acres.

As Table 8 shows, in 1992-93, Yolo, Kern, Solano, San Joaquin and Calaveras counties led all other counties in acreage beginning nonrenewal. Whereas in 1991-92, Kern, Mendocino, Madera, Yolo and Tehama led in this category. In 1990-91, Stanislaus, Yolo, Sacramento, Santa Clara and Madera were the top five counties. Besides Yolo County, no other county has been consistent in maintaining a relatively high level of contract nonrenewal during the past three years. Discounting Stanislaus County, which had an unusually high level of nonrenewal in 1990-91 (34,702 acres versus 1,075 acres in 1991-92 and 18 acres in 1992-93), Yolo County has led all

counties with a cumulative total of 30,265 acres entering nonrenewal, mostly prime agricultural land.

In 1990-91, San Joaquin Valley counties dominated the top ten counties in the nonrenewal process. The San Joaquin Valley Region counties initiated nonrenewal on nearly 60,000 acres in 1990-91. The Sacramento Valley Region had the second highest total with 37,000 acres. In 1991-92 these same two regions again led all regions in nonrenewal initiated, with about 25,000 acres each. Likewise in 1992-93, the San Joaquin and Sacramento Valley Regions led the other regions with about 10,000 acres each. Together, these two Regions, as in 1990-91, contributed two-thirds of all nonrenewals initiated in the past two years (Table 13,,Section IV, pp. 21). As a percentage of their total Williamson Act acreage the level of nonrenewal is still rather small.

CONTRACT NONRENEWAL AS A PREDICTOR OF FUTURE URBANIZATION

In 1992 the Department commissioned a study to determine the motivations and patterns of landowner initiated nonrenewals in Yolo County. The study covered the period of 1987-88 to 1990-91. A summary of this study, conducted by Dr. Alvin Sokolow and Ryan Bezerra, of the

University of California, Davis, is reproduced in Section VI of this Report.

Sokolow and Bezerra found that landowners in Yolo County have nonrenewed their Williamson Act contracts for a variety of reasons, the most common reason being anticipated development prospects.

Although landowner intention to develop was the most frequently given reason for nonrenewal, only one out of five cases had definite plans for development upon contract expiration. Additionally, acreage was located in remote parts of the County and three-quarters of the nonrenewals were located no closer than two miles from city spheres of influence.

A hypothesis tested by the University of California study was that contract nonrenewals can be used to predict urban development patterns. The University's Yolo County study results were inconclusive in testing the hypothesis. Another way to test this hypothesis is to explore the distribution of nonrenewal activity between urban and rural counties. Generally speaking, if nonrenewal is an indicator of future development, then nonrenewal should be occurring at a higher rate in urban rather than in rural counties. Table 10 shows that urban counties, as defined by the California Rural Counties Association, account for a disproportionate number of nonrenewals supporting a link between urbanization and Williamson Act contract nonrenewal.

Another way of analyzing the relationship between contract nonrenewal and urbanization is to examine nonrenewal initiated on urban prime versus other prime agricultural land. If contract nonrenewal is related to opportunities for urban development, contract nonrenewal should occur at a higher rate on urban prime land where development pressures are greatest, than on other prime land. This is indeed the case. Table 9 shows that in 1992-93 12% of all prime land was urban prime. However, 44% of all prime land that was nonrenewed in 1992-93 was urban prime. Nonrenewal of urban prime agricultural land was

proportionately four times as high as nonrenewal of other prime agricultural land, indicating a link between development opportunities and contract nonrenewal.

While the University's study shows that landowners choose to nonrenew their contracts for a variety of reasons, their analysis, along with the above comparisons, also reveal a strong linkage between at least perceived opportunities for land development and contract nonrenewal.

On the other hand, close proximity to urban development is not necessary for landowner development expectations to occur. Expectations may be raised by nothing more than discussions for development. This has been demonstrated by the nonrenewals that seemed to be spawned by general exploratory discussions of a new town development in a rural part of Yolo County (see Section VI).

CANCELLATIONS

Contract cancellation is a second avenue for terminating participation in the Williamson Act. County or city approval of a cancellation results in the immediate removal of the contract property from Williamson Act restrictions as compared to the nine-year wait for contract nonrenewal. To obtain approval for a cancellation the governing board of the affected county or city is required to make certain substantive findings about the merits of the landowner's request for immediate contract termination. One of the major findings (supported by several sub findings) is that the

Table 9. Total Terminations by Prime Agricultural Land Category (acres), 1992

Agricultural Land Category	Total WA Acres	Prime (%)	Nonrenwal Initiated	(%)
Urban Prime	674,810	12	5,940	44
Prime	4,989,547	88	1,602	56
Total	5,664,357	100	13,542	100

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Table 10. Williamson Act Cumulative Nonrenewal by Rural and Urban Counties ¹, 1992

Rural Counties	Enrolled Acreage	Acreage in Nonrenewal	% ²	Urban Counties	Enrolled Acreage	Acreage in Nonrenewal	%
Amador	94,344	4,808	(1%)	Alameda	158,170	18,565	(3%)
Calaveras	133,962	8,834	(1%)	Butte	213,004	5,474	(1%)
Colusa	200,792	14,965	(2%)	Contra Costa	65,525	15,597	(2%)
El Dorado	48,043	8,314	(1%)	Fresno	1,578,806	8,235	(1%)
Glenn	322,343	1,048	(0%)	Kern	1,726,565	96,026	(14%)
Humboldt	197,069	2,135	(0%)	Los Angeles	40,052	0	(0%)
Kings	684,104	2,574	(0%)	Marin	93,777	1,061	(0%)
Lake	49,052	405	(0%)	Monterey	698,861	9,957	(1%)
Lassen	288,093	0	(0%)	Orange	43,086	30,047	(4%)
Madera	556,717	25,231	(4%)	Riverside	74,115	24,384	(4%)
Mariposa	179,868	329	(0%)	Sacramento	231,396	45,499	(7%)
Mendocino	474,112	21,952	(3%)	San Bernardino	21,015	6,735	(1%)
Napa	62,017	601	(0%)	San Diego	107,183	10,793	(2%)
Nevada	5,296	1,956	(0%)	San Joaquin	561,108	26,563	(4%)
Placer	71,073	28,141	(4%)	San Luis Obispo	759,862	22,316	(3%)
Plumas	82,203	5,764	(1%)	San Mateo	46,705	181	(0%)
San Benito	584,043	18,957	(3%)	Santa Barbara	539,750	7,115	(1%)
Shasta	156,432	2,333	(0%)	Santa Clara	363,536	24,447	(4%)
Sierra	37,855	1,071	(0%)	Santa Cruz	22,036	187	(0%)
Siskiyou	382,539	800	(0%)	Solano	274,559	21,681	(3%)
Tehama	803,506	10,191	(1%)	Sonoma	287,811	11,151	(2%)
Trinity	22,268	0	(0%)	Stanislaus	711,646	50,159	(7%)
Tuolumne	124,430	12,020	(2%)	Tulare	1,124,519	9,927	(1%)
Yolo	477,623	44,205	(6%)	Ventura	147,680	28,896	(4%)
Totals	6,037,784	216,634	(31%)	Totals	9,890,767	474,996	(69%)

¹ Determination of rural and urban was made using criteria suggested by the Rural Counties Association of California (200,000 population or less) to define rural counties. Population statistics were obtained from the Department of Finance, 1990 census data.

² Percent represents a County's portion of the total land in cumulative nonrenewal, which is 691,630 acres.

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contract termination is consistent with the purposes of the Act.

In addition to making the required findings, the applicant must pay a cancellation penalty to the State for each approved cancellation based on the unrestricted market value of the property. For a full description of the cancellation process and cancellation findings see Appendix B.

Statewide Cancellation Changes

Twenty-two cancellations for 491 acres were approved in 1992-93. This is compared to twenty-five cancellations in 1990-91 affecting 2,271 acres, and eighteen cancellations for 1,794 acres in 1991-92. Like nonrenewals, cancellations have decreased.

Contract cessation by cancellation is an insignificant amount of land leaving the Program each year relative to nonrenewal or total land under contract. The small number of cancellations of Williamson Act contracts reflect the stringent Government Code requirements placed on this method of removing land from the Program.

County Cancellation Patterns

In 1991-92 only one county approved contract cancellations totalling more than a few acres. Contra Costa County approved two cancellations for 1,557 acres. Only five other counties approved cancellations, which includes six by Fresno and seven by Kern. In both of these counties, cancellations have generally been partial cancellations for farm or ranch financing purposes, or boundary adjustments.

In 1992-93 the county pattern for cancellation remained unchanged. Only seven counties approved cancellations, the largest being a 281-acre cancellation in Monterey County. Again, Kern (8) and Fresno (5) counties approved the largest number of cancellations.

Reasons for Contract Cancellations

On January 1, 1992 legislation was enacted that required cities and counties to send notices of cancellation and proposed findings to the Department. From these notices the Department is able to ascertain the proposed alternative uses for the land being removed from contract and to provide comments to the cancelling jurisdiction on the merits of the proposed findings.

As previously mentioned most cancellations during the past two years have been for agricultural purposes. However, in a few cases the Department of Conservation has cautioned counties about weak or poorly documented cancellation findings. In 1992-93 the Department commented on two cancellations that it concluded were beyond the intent of the Legislature when it adopted the cancellation findings. One, in San Joaquin County, was for a cancellation of 336 acres to accommodate the development of a private 18-hole golf course, a private equestrian center, and 26 single-family residences as part of a "gated" community. The County approved the cancellation as consistent with the purposes of the Williamson Act. Local public interest groups have filed a lawsuit to stop the development based on violations of the cancellation provisions of the Act.

In the second case, Fresno County approved a contract cancellation of approximately 30 acres for the development of a motorized racetrack facility. This occurred even after the Department and local opponents pointed out that the cancellation did not meet the required findings. The project, like the previous example, has been impeded by pending legal action.

EMINENT DOMAIN

A third kind of contract termination results from public acquisition of Williamson Act land for public improvements. Public acquisition of Williamson Act land automatically voids the Williamson Act contract. Unlike cancellation, such contract termination occurs without the need for findings, or the payment of a penalty. Neither does termination by eminent domain require a nine-year wait as in contract nonrenewal.

However, the acquiring public agency must preferentially seek non-contracted lands, or if none exist that are suitable, **non prime** contracted lands, for the public improvement. Also, public acquisition of contracted land is not allowed solely based upon the lower cost of contracted lands. Finally, prior to acquisition of the contracted land, the purchasing agency must submit the proposed acquisition to the Department of Conservation for review and comment.

Statewide Changes

Eminent domain acquisitions of Williamson Act land during the past three years has been relatively high compared to previous years. During 1991-92 and 1992-93, 71 and 106 individual acquisitions were made in 17 and 20 counties, respectively. The acreage of eminent domain acquisitions for each of the past two years has nearly matched the 27,000 acres removed from contract through eminent domain acquisition in 1990-91.

County Patterns

Butte, Fresno, Sacramento, Kern and Solano counties account for most of the contracts terminated by eminent domain in 1991-93 with a combined 30,000 acres, or 60% of the 1991-93 total. The most individual public acquisitions occurred in Sacramento, Solano, Alameda, Tehama and Fresno counties averaging eight acquisitions per county per year.

The Central Valley counties (San Joaquin and Sacramento Valley Regions) tallied nearly two-thirds of all eminent domain acquisitions of Williamson Act contracted land over the past two years accounting for 87% of the land acquired.

Uses of Eminent Domain

An inventory of eminent domain acquisitions over the past two years shows that typical acquisitions are for public purposes such as road widening and extension, school expansion, wastewater treatment facility expansion, flood control channels or basins, cemetery expansion, water storage reservoirs, parks, and public open space. Most acquisitions reviewed were for the expansion or extension of existing facilities. Several large acquisitions were for open space, primarily wildlife habitat areas.

Annexation

Prior to 1991 a city could protest county Williamson Act contracts signed within one mile of the city boundary. If the Local Agency Formation Commission approved the protest, upon annexation the city could terminate the contract without the landowner paying a termination fee. The intent of the provision was to accommodate local planning needs while still allowing landowners to enter into contracts near cities. The city protest provision was eliminated from statute in 1991 due to reported abuses including indiscriminate protests of contracts not related to long range planning needs.

Only 3,000 acres were removed from the Williamson Act through the city protest/annexation process between 1991 and 1993. This was down from the one year total of 2,700 acres in 1990-91. Counties in the San Joaquin Valley Region accounted for 80% of the acreage terminated by this process over the past two years. Kern and Stanislaus Counties accounted for 55% of the acreage terminated.

TRENDS

PROGRAM ENROLLMENT

Historical Acreage Enrollment

In 1965, the Williamson Act established a program of voluntary contracts between agricultural landowners and local governments to limit the use of agricultural lands to agricultural and open space uses. After ten years of seeking statutory relief from speculation-driven land values and taxes, proponents of the Act believed that a method had been created to convince assessors to value agricultural lands based on current, not potential developed, uses. However, assessors lacked procedures for assessing agricultural lands apart from market (or speculative) value. Landowners and local governments realized the assessor's dilemma and remained skeptical that the restrictive Williamson Act contract would result in tax relief. Consequently, in the initial year of the Program only six counties participated, collectively enrolling only 200,000 acres (Figure 5).

In 1966 Proposition 3 was passed by the voters (now Article XIII of the Constitution) to allow property valuation based on current use. Proposition 3 also expanded the Williamson Act's purpose to include open space land protection. New legislation in 1967 provided for the recognition of a Williamson Act contract as an enforceable restriction. The Revenue and Tax Code now sets a procedure for the valuation of farm lands based on the income generated from the land's current agricultural or open space use. Following these legislative changes, the Program experienced a rapid increase in participation and by 1968 enrollment jumped from 200,000 acres to 2 million acres in 23 counties. By 1971 there were 4.2 million acres under contract.

The Open Space Subvention Act, passed in 1971, authorized partial state reimbursement to participating Williamson Act counties and cities for their loss of property tax revenues as landowners enrolled land in contracts. Local governments became more willing to participate in

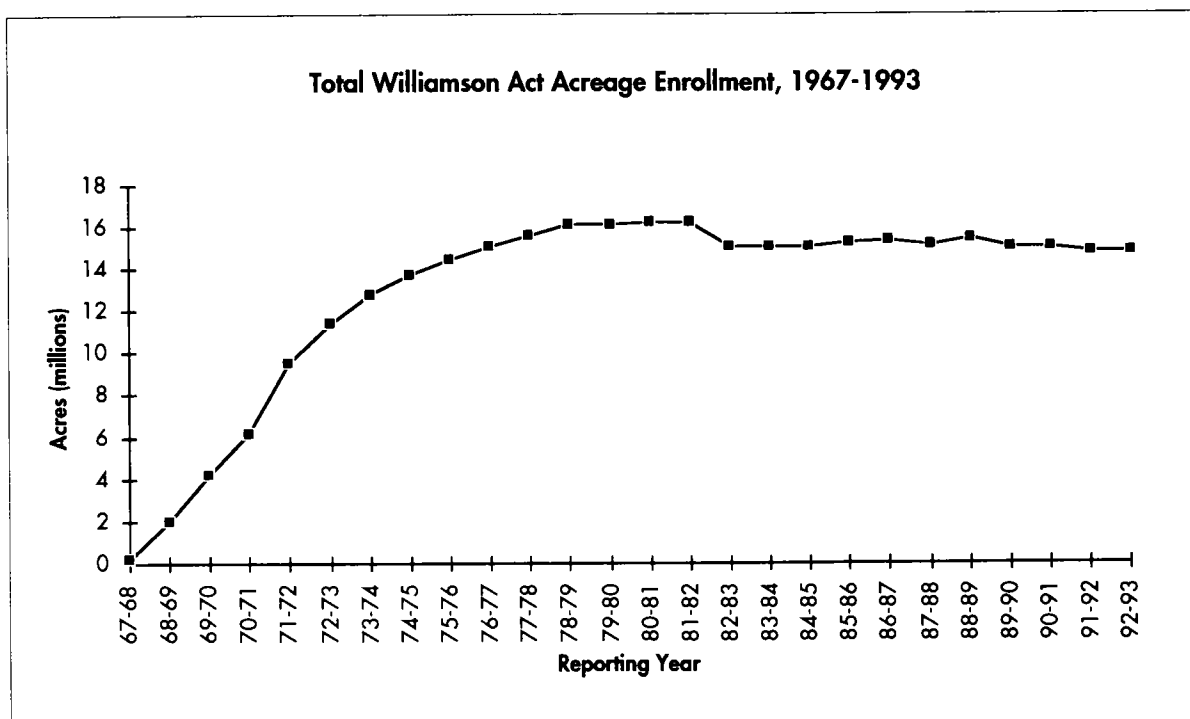


Figure 5.

the Williamson Act Program. From 1971 to 1972 participation increased to almost 10 million acres in 38 counties. By 1975 47 counties had enrolled 14 million acres in the Program. Enrollment reached its peak in 1978-79 with 16.1 million acres.

Acreage Enrollment and Proposition 13

With the passage of Proposition 13 in 1978 it was expected that Williamson Act Program enrollments would decline. In 1982 the Department of Conservation conducted a study of the effects of Proposition 13 on the Williamson Act's tax benefits to landowners. It was found that the Act's tax savings dropped by an average of 20%. However, average tax savings still amounted to as much as 83% depending on how recently the property had changed ownership. Even with a 1975 Proposition 13 base year, tax reductions were as high as 62%. Proposition 13 decreased the tax relief benefits of the Williamson Act, but not enough to discourage landowner participation.

Recent Acreage Enrollment Trends

In 1982, one million acres of timber lands were transferred from the Williamson Act to the Timber Production Zone Program, a similar program administered by the state Department of Forestry. However, from 1982 to 1986 enrollment in the Williamson Act continued to rise, although more slowly than the previous decade. By 1986 total enrollment was back to just under 16 million acres. Over the past seven years net acreage increases have occurred only three times, including 1992-93 when a net gain of 12,633 acres was reported. Since leveling off in 1979 the Program has maintained enrollment at 15.9 million acres.

ANNUAL ADDITIONS TO THE ACT

Acreage Trends

Between 1986-87 and 1992-93 the number of acres added to the Program declined from 147,655 acres in 1988-89, to 60,193 acres in 1992-93 (Table 11 and Figure 6). In the first three years of this seven-year period additions nearly matched or exceeded the number of acres removed from active contract by initiation of nonrenewal and cancellation. During the next three years additions were exceeded by terminations. In 1992-93 both acreage removed from and added to the Act dropped with new acreage slightly surpassing acreage removed from the Program.

Factors in Declining Annual Acreage Additions to the Act

Some counties recently revised their Williamson Act rules to restrict Program participation. Several of these revisions include tighter Williamson Act Program entry and participation requirements, particularly with regard to qualifying parcel size. For example, Yolo County adopted stringent requirements for smaller parcels to remain in the Program.

Table 11. Nonrenewals, Cancellations and Additions (Seven Year Trend)

Year	Nonrenewals ¹	Cancellations	Additions
1986-87	67,186	4,060	142,147
1987-88	97,330	3,371	84,112
1988-89	70,794	8,121	147,655
1989-90	124,811	2,073	80,912
1990-91	145,755	2,271	99,602
1991-92	80,646	1,920	69,870
1992-93	31,388	517	60,544

¹ Contract nonrenewals initiated. Includes city and county data.

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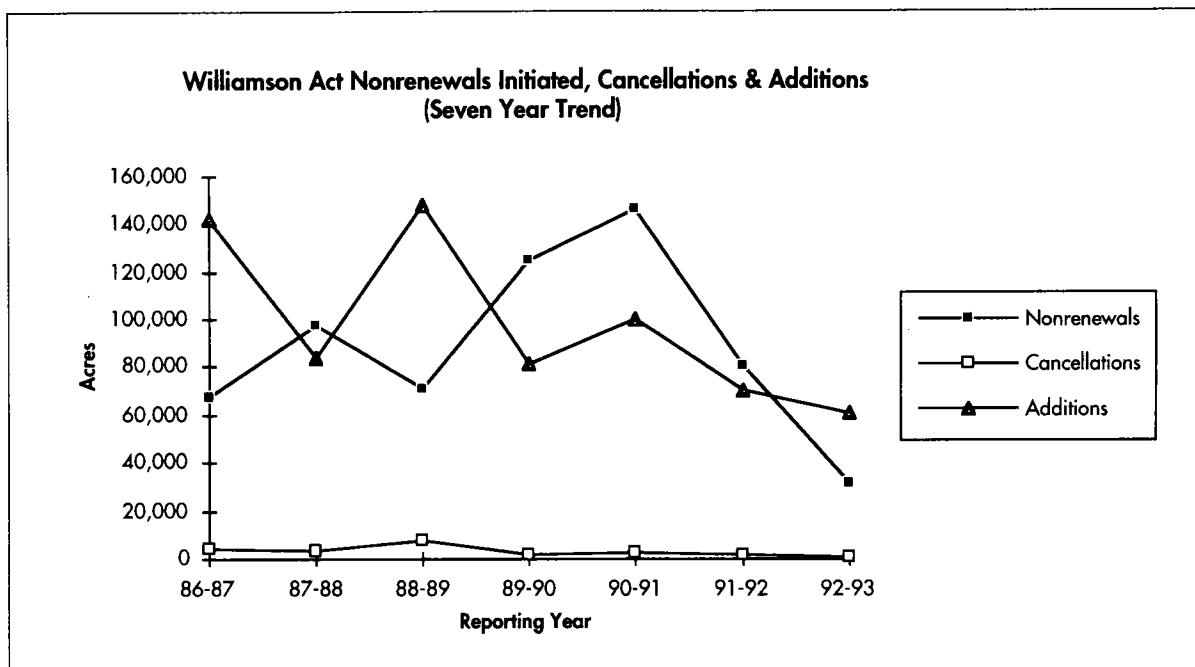


Figure 6

Landowners in Yolo County with prime agricultural land parcels between 20 to 40 acres must annually submit economic reports verifying the commercial agricultural use of the property. Recent declines of new enrollments in the Williamson Act may also be attributed to the uncertainty of the state's economy.

nonrenewals increased dramatically. The figures doubled to 145,755 acres by 1990-91 (Table 1 and Figure 6). Then, during the two most recent reporting periods nonrenewal activity had again reversed dropping to 78,465 and 30,305 acres, respectively. As with the drop in acreage additions, this decline is likely due to a sluggish real estate market in California.

NONRENEWAL

As intended by the Legislature when the Act was passed, an intention later reaffirmed by the Supreme Court, nonrenewal has been the primary form of contract termination. The only other form of landowner initiated contract termination, contract cancellation, has been and continues to be, a minor contributor of terminations compared to nonrenewal. In 1992-93 more acreage began the process of leaving the Program through nonrenewal than cancellation by a factor of seven to one (30,540 acres versus 491 acres).

Contract Nonrenewal Initiated

Throughout most of the 1980's nonrenewals were initiated on an average of 66,000 acres per year statewide. However, in the late 1980's

Cumulative Contract Nonrenewal

Cumulative totals of nonrenewed land -- the total acreage undergoing the nine-year phase-out of contract status at any one time -- has also increased in the past seven years, from 540,000 in 1987-88 and 650,000 in 1990-91, to 691,000 acres in 1992-93, a 33% increase.

Urban counties, as defined by the Rural Counties Association of California (counties with greater than 200,000 population), account for 62% of all land under Williamson Act contract. However, as late as 1987-88 rural counties led urban counties in total acreage in the nonrenewal process. In 1992-93 the distribution of nonrenewal reversed with 69% of all acreage in the process of nonrenewal located in urban

counties. (see Table 9). This redistribution is consistent with the previously cited University of California study which found that at least recently anticipated urban development is a primary reason for landowner initiated contract nonrenewal.

The 692,000 acres currently undergoing contract phase-out through nonrenewal is a record amount of cumulative nonrenewal for any one time, representing more than 4% of total Program acreage. Table 12 and figure 7 show the acreage of cumulative nonrenewal and the percentage of acreage enrollment in cumulative nonrenewal for each county and region .

Acreage currently in the nonrenewal phase-out comprises more than 10% of the total contracted land in eleven counties (Table 14). In 1990-91 nine counties exceeded 10%. Eight of these counties are metropolitan/suburban counties. The remaining three are rapidly urbanizing foothill counties. Five of the eleven are urban Southern California counties which have been undergoing extensive urban expansion and retain relatively small acreage levels under contract. (It is interesting to note that all five of these counties remain among the state's top twenty agricultural counties.)

Following the county nonrenewal trends the South Coast/Desert and Foothill/Central Sierra Regions lead the other regions by a margin of almost two to one in the percentage of total contracted land undergoing nonrenewal (Table 12 and Figure 7).

Several other counties, primarily San Joaquin and Sacramento Valley counties have sizable absolute numbers of acres undergoing nonrenewal. However, because of their large total acreage enrollment, these nonrenewals are not a large proportion of contracted acreage. For example, the largest amount of contracted acreage in the State, over 1.7 million acres, Kern County also leads in cumulative acreage undergoing nonrenewal, 96,000 acres (14,000 were nonrenewed over the past two years). Other counties in the two Central Valley regions with large acreage in the nonrenewal phase-out include Stanislaus (50,000),

Sacramento (45,000) and Yolo (44,000). On a regional basis the San Joaquin (219,000) and Sacramento Valley (143,000) Regions lead all others in total acreage undergoing nonrenewal.

In the three years between 1987-88 and 1990-91 seventeen counties more than doubled the amount of their total acres placed under nonrenewal. Highest among them in terms of acreage increase and percent increase were:

Stanislaus	43,734 (860%)
Sacramento	39,844 (0 in 1987)
Yolo	28,582 (1,269%)
Santa Clara	17,620 (319%)
Alameda	14,710 (335%)

Between 1990-91 and 1992-93 the counties with the largest increases in cumulative nonrenewal.

Colusa	14,965 (0 in 1990-91)
Yolo	13,178 (42%)
Madera	10,854 (75%)
Mendocino	9,416 (75%)
Tehama	6,037 (145%)

The Central Valley counties maintain relatively high contract nonrenewal rates, although in all of these counties, total acreage undergoing nonrenewal is still less than 10% of their contracted lands.

Conversely, counties whose cumulative nonrenewal totals dropped dramatically in the past two years, in terms of acreage and percent decrease, were:

Contra Costa	5,022 (-24%)
Ventura	4,647 (-14%)
Placer	2,729 (-9%)
Alameda	2,407 (-11%)
Shasta	1,529 (-40%)

In conclusion, the numbers indicate that over the past two years a slow-down has occurred in land entering nonrenewal. This slow-down is occurring after a three-year period of unprecedented expansion in contract nonrenewal.

Table 12. Williamson Act Nonrenewal by Region
Cumulative Nonrenewal and Nonrenewal Initiated since 1991¹

	Cumulative Nonrenewals	% of Total Land Under Contract ²	Nonrenewals 91-93
San Joaquin Valley			
Fresno	8,235	0.52%	2,087
Kern	96,026	5.56%	14,392
Kings	2,574	0.38%	2,145
Madera	25,231	4.53%	11,332
San Joaquin	26,563	4.73%	4,112
Stanislaus	50,159	7.05%	1,093
Tulare	<u>9,927</u>	<u>0.88%</u>	<u>880</u>
Total	218,715	3.15%	36,041
South Coast / Desert			
Los Angeles	0	0.00%	0
Orange	30,047	69.74%	0
Riverside	24,384	32.90%	1,552
Santa Barbara	7,115	1.32%	108
San Bernardino	6,735	32.05%	1,467
San Diego	10,793	10.07%	1,104
Ventura	<u>28,896</u>	<u>19.57%</u>	<u>0</u>
Total	107,970	11.10%	4,231
Foothill / Central Sierra			
Amador	4,808	5.10%	2,067
Calaveras	8,834	6.59%	2,952
El Dorado	8,314	17.31%	428
Mariposa	329	0.18%	0
Nevada	1,956	36.93%	1,399
Placer	28,141	39.59%	3,090
Plumas	5,764	7.01%	0
Sierra	1,071	2.83%	0
Tuolumne	<u>12,020</u>	<u>9.66%</u>	<u>1,306</u>
Total	71,237	9.17%	11,242
Central Coast			
Alameda	18,565	11.74%	457
Contra Costa	15,597	23.80%	1,550
Marin	1,061	1.13%	0
Monterey	9,957	1.42%	680
Napa	601	0.97%	0
San Benito	18,957	3.25%	5,212
Santa Clara	24,447	6.72%	1,408
Santa Cruz	187	0.85%	36
San Luis Obispo	22,316	2.94%	650
San Mateo	181	0.39%	0
Sonoma	<u>11,151</u>	<u>3.87%</u>	<u>3,529</u>
Total	123,020	3.91%	13,522

Table 12. Williamson Act Nonrenewal by Region
Cumulative Nonrenewal and Nonrenewal Initiated since 1991¹ (continued)

	Cumulative Nonrenewals	% of Total Land Under Contract ²	Nonrenewals 91-93
Sacramento Valley			
Butte	5,474	2.57%	2,094
Colusa	14,965	7.45%	0
Glenn	1,048	0.53%	0
Sacramento	45,499	19.66%	7,935
Solano	21,681	7.90%	5,790
Tehama	10,191	1.27%	7,498
Yolo	44,205	9.26%	13,345
Total	143,063	5.97%	36,662
Mountain / North Coast			
Humboldt	2,135	1.08%	1,716
Lake	405	0.83%	63
Lassen	0	0.00%	0
Mendocino	21,952	4.63%	9,416
Shasta	2,333	1.49%	1,812
Siskiyou	800	0.21%	161
Trinity	0	0.00%	0
Total	27,625	1.76%	13,168

¹ The 1992 Status Report is a biennial report. Data collected for nonrenewals initiated represents two year totals.

² Figures represent that County's cumulative nonrenewal as a percentage of total land under contract.

Department of Conservation, 1994

Nonrenewal Acreage by Region, 1992-93

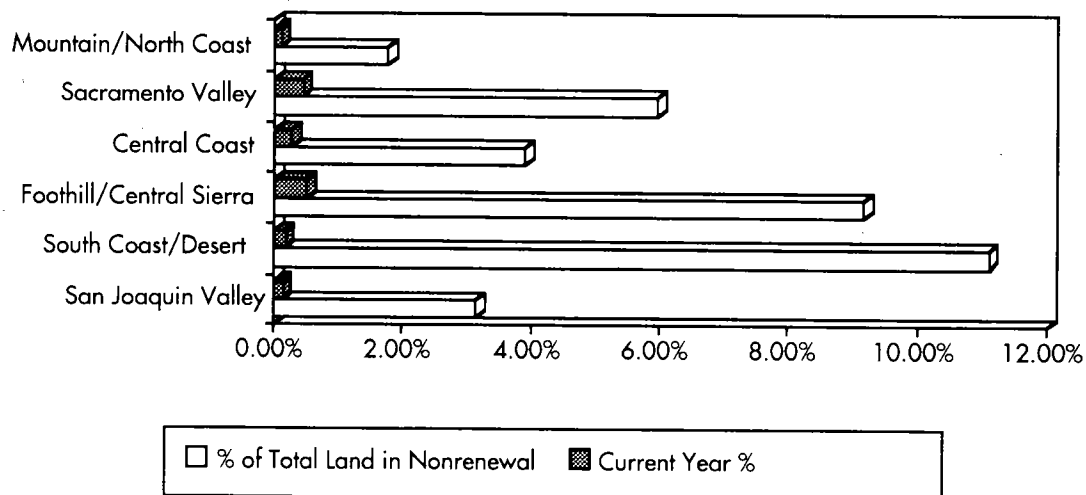


Figure 7.

Table 13. Counties With More Than Ten Percent Total Acreage In Nonrenewal 1992-93

County	Total Land Under Contract (acres)	Total Cumulative Nonrenewals (acres)	%
Orange	43,086	30,047	70%
Placer	71,073	28,141	40%
Nevada	5,296	1,956	37%
Riverside	74,115	24,384	33%
San Bernardino	21,015	6,735	32%
Contra Costa	65,525	15,597	24%
Sacramento	231,396	45,499	20%
Ventura	147,680	28,896	20%
El Dorado	48,043	8,314	17%
Alameda	158,170	18,565	12%
San Diego	107,183	10,793	10%

Department of Conservation, 1994

CANCELLATIONS

Acreage Trends

Contract cancellation has been a relatively minor form of contract termination, averaging 3,200 acres each year. Table 11 and Figure 6 show the acreage levels of contract cancellation from 1986-87, when acreage data on cancellations was first collected, to 1992-93. Cancelled acres peaked in 1988-89 at 8,121 acres. Cancelled acres have dropped since 1988-89 with the 1992-93 level representing a seven-year low. At least part of the cause for the recent decline was an increase in cancellation penalties that occurred as a result of 1987 legislation. A depressed state economy in recent years has also been a contributing factor.

Cancellation Penalty Fees

Cancellation penalties are based on the unrestricted, current fair market value of land removed from contract. The penalty is derived by multiplying this value by 12.5%. Counties assess and collect the penalty as part of the cancellation process. The collected penalty is transferred to the State and deposited in the General Fund.

In the past 10 years, cancellation penalty payments collected by the State ranged from \$2.0 million in 1985-86 to \$7.8 million in 1989-90. Over \$36 million was collected in cancellation penalty fees in the last 10 years (Table 14).

Table 14. Cancellation Penalties, 1983-93

Fiscal Year	Cancellation Penalty (\$)
1983-84	4,384,503
1984-85	2,027,703
1985-86	2,026,982
1986-87	2,215,683
1987-88	6,016,588
1988-89	3,305,010
1989-90	7,778,433
1990-91	4,514,385
1991-92	4,701,514
<u>1992-93</u>	<u>3,568,323</u>
Total	36,154,621